

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	)	
	)	
JOSEPH MARTIN THOMAS,	)	Bank. No. 20-10334 TPA
	)	
Debtor.	)	Chapter 11
	)	
	)	
UNITED STATES OF AMERICA,	)	
	)	
Movant,	)	Related to
	)	Document Nos. 348 and 354
vs.	)	
	)	
	)	Hearing Date
	)	4/22/21 @ 10:00 AM
JOSEPH MARTIN THOMAS,	)	
	)	
	)	
Respondent.	)	

STIPULATION AND AGREED ORDER

IT IS HEREBY STIPULATED and AGREED by and between Joseph Martin Thomas, Debtor, and the United States of America, as represented by Steven R. Kaufman, Acting United States Attorney for the Western District of Pennsylvania and Jill Locnikar, Assistant U.S. Attorney, as follows:

1. The prepetition claim of the Internal Revenue Service in the total amount of \$394,418.45, less adequate protection payments of \$36,800 applied to the secured debt, shall be paid as follows:

a. The secured and priority claims totaling \$352,241.06 shall be paid in the following manner:

(1) Monthly payments of \$4,600 shall be made until the sale of real estate closes in June of 2021. Such payments will be applied to the secured tax claim.

(2) After the sale of real estate closes in June 2021, the remaining secured debt and the priority debt shall be re-amortized over a 5 year period with 3% interest. The IRS shall notify the Debtor within 30 days of the closing of the sale, of the new monthly payment amount.

(3) Monthly payments shall be made on 20<sup>th</sup> day of each month commencing on the date of execution of this stipulation and continuing until the secured and priority tax claims are fully paid with 3% interest.

b. The general unsecured claim of \$5377.39 shall be paid in accordance with the treatment given to other general unsecured creditors under the plan.

2. Any unpaid federal tax liability arising after the petition date shall be paid in full on or before the plan effective date with all applicable interest and penalties.

3. All monthly payments specified in paragraph 1 above shall be made payable to the United States Treasury and sent to the Insolvency Unit, Internal Revenue Service, William S. Moorhead Federal Building, Room 711B, 1000 Liberty Ave., Pittsburgh, Pennsylvania 15222.

4. Any refunds or credits to which the Debtor may become entitled at any time before the tax liability mentioned in paragraph 1 has become fully satisfied may be credited administratively against the outstanding balance. In the event any refund check or checks are received by the Debtor prior to the full satisfaction of the tax liability, such check or checks shall be endorsed according to law and mailed to the Insolvency Unit, Internal Revenue Service, William S. Moorhead Federal Building, Room 711B, 1000 Liberty Ave., Pittsburgh, Pennsylvania 15222.

5. In the event that the Debtor fails to make any of the payments specified in paragraph 1 above or fails to comply with any of his postconfirmation federal tax obligations, the Internal Revenue Service may pursue collection of all unpaid preconfirmation and postconfirmation liabilities through any means authorized by the Internal Revenue Code or other applicable law, including levy and seizure of the Debtor's assets, including any exempt property.

Notwithstanding the foregoing, the Debtor shall have thirty (30) days to cure all delinquent plan payments and postconfirmation tax liabilities. This thirty day period shall commence upon the issuance of a written notice of plan default by the Internal Revenue Service to the Debtor.

6. The period allowed to the Internal Revenue Service under I.R.C. § 6502(a) to collect the assessed taxes, interest, penalties, and any other additions thereon, which are still owed by the Debtor after the plan effective date shall be suspended for the period of time that payment of these tax debts is made according to this Stipulation and Agreement, unless and until a substantial default of these payments shall occur, and for six months thereafter in accordance with I.R.C. § 6503(h)(2). A substantial default regarding payments shall have occurred when a payment of the tax debt required by this Stipulation has not been timely made, the Service has provided the Debtor with written notice of the default, and the Debtor has failed to cure the default within 30 days of the Service mailing written notice of default to the Debtor.

7. No federal tax liability accruing prior to the confirmation of the plan, including interest and penalty, is discharged until the Debtor completes payment in accordance with this Stipulation.

8. Should the Debtor file another bankruptcy petition before completing the terms of this Stipulation, this Stipulation is null and void and the claims of the IRS retain their status as tax claims; they are not reduced to claims under this agreement. Notwithstanding the foregoing, the claims of the IRS will have no lower priority in any subsequent bankruptcy than they do in this case.

9. To the extent that there are nondischargeable tax debts in this case, the Debtor shall remain liable following the end of the bankruptcy case for any unpaid postpetition interest and penalties under Bruning v. United States, 376 U.S. 358 (1964).

10. This Stipulation shall be deemed incorporated in the confirmed plan of reorganization and shall control the treatment of the federal tax claims in this case.

STEVEN R. KAUFMAN  
Acting United States Attorney

/s/ Joseph Martin Thomas  
Debtor

BY: /s/ Jill Locnikar  
Jill Locnikar  
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Attorney for Debtor

It is so ordered.

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UNITED STATES BANKRUPTCY JUDGE